

# **Feeding the Roots of the System:**

Financing Early  
Childhood  
and Youth Care  
and Education  
in the State  
of Washington

ANNUAL REPORT

Child Care Coordinating Committee Annual Report to the Legislature  
December 2000



Washington State  
Child Care Coordinating Committee

## About the Child Care Coordinating Committee

In 1988, the State Legislature established the Child Care Coordinating Committee as an advisory group to the Legislature and state agencies. Its mission is to improve the quality, availability, and affordability of early childhood education and out of school care in Washington State.

The Child Care Coordinating Committee is required to report annually to the Legislature, the Governor, and state agencies with recommendations to improve the system of early childhood and youth care and education. Roughly one-third of the Committee is comprised of state agency representatives. Community representatives and parents make up the remaining two-thirds of the committee. The full committee and each of the subcommittees are chaired by parents or community representatives.

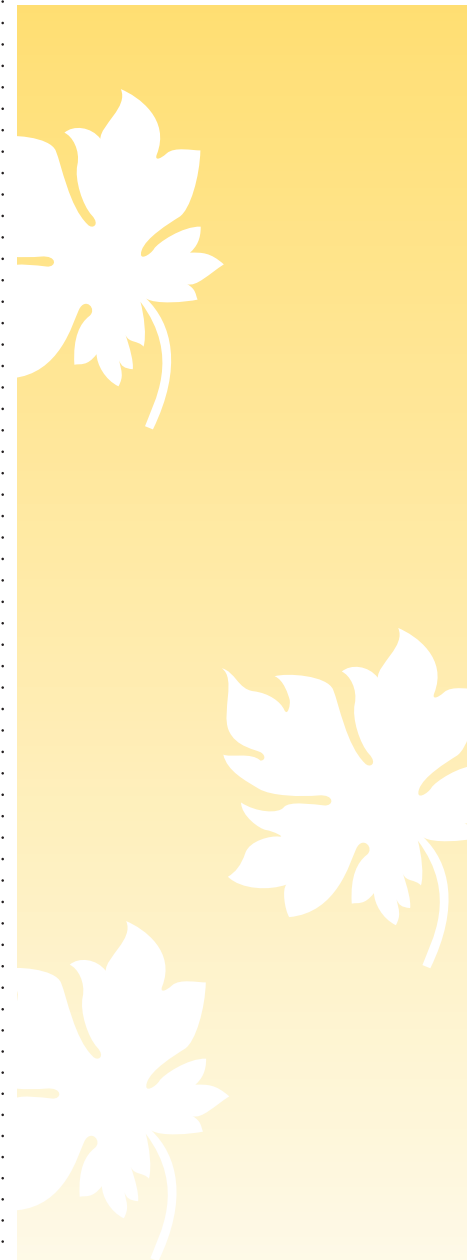
- ◆ 33 members represent various roles in early childhood and youth care and education. Collectively, they represent diversity of perspective on issues related to children and youth.
- ◆ 10 subcommittees develop and implement policy recommendations:
  - ✱ **Career Development Subcommittee** pursues issues related to staff and provider education, compensation, and career mobility.
  - ✱ **Public Policy Subcommittee** works with the Legislature, the Governor, and other policy makers to promote issues of quality, affordability, and availability.
  - ✱ **Licensing Subcommittee** works to improve the regulation of child care, early education, and out of school care, promoting the safety and quality of care.





- \* ***Subsidies Subcommittee*** promotes child care subsidies designed to increase the accessibility of quality care for low income families.
- \* ***Inclusive Child Care*** guides providers and programs on issues related to the inclusion of children with special needs.
- \* ***Health and Safety Subcommittee*** promotes collaboration with Public Health agencies, Licensing, and addresses other issues related to the physical and mental health of children and youth.
- \* ***Partnership Subcommittee*** works on collaboration with the private sector—corporations, small business, financial institutions, philanthropy, and individuals—to promote family friendly policies and public-private financing of care.
- \* ***School-Age Care Subcommittee*** focuses on out of school time programs for youth ages 5 to 18.
- \* ***Systems Subcommittee*** works to improve the early childhood and youth care and education system and increase collaboration among organizations that support providers and programs. The Systems subcommittee initiated the Child Care Coordinating Committee work on financing a comprehensive system.
- \* ***Family Focus Subcommittee*** discusses affordability of cultural relevancy of early childhood and youth care and education, including other issues related to families.

- ◆ The Office of Child Care Policy, Department of Social and Health Services, is charged with staffing each subcommittee and the full Child Care Coordinating Committee. The views expressed in this report are those solely of the Child Care Coordinating Committee.
- ◆ To contact committee members for further information, please call Elizabeth Bonbright Thompson (Chair, Public Policy Subcommittee) at the Washington State Child Care Resource & Referral Network at (253) 383-1735, ext. 15.





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## Executive Summary

In this report, the Child Care Coordinating Committee urges the Legislature, the Governor, and other policy makers to join us as partners in resolving the issue of how we pay for early childhood and youth care and education. This report summarizes the current financing problem, outlines the planning process that will take place over the next decade, highlights projects and research that are currently in progress, and introduces strategies that could be building blocks to a new system.

### Why is Financing of Early Childhood and Youth Care and education a Problem?

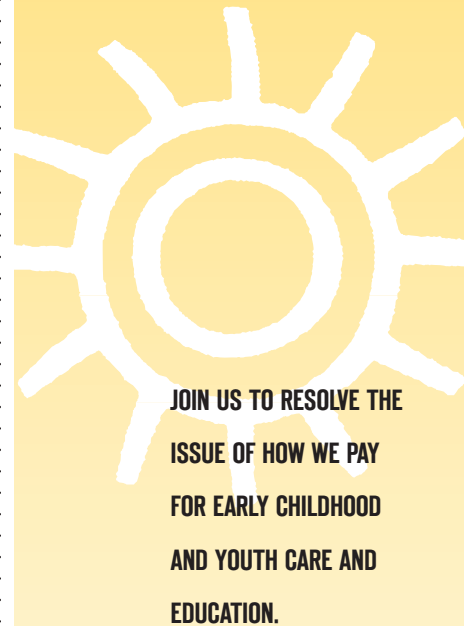
The quality of early childhood and youth care and education child care suffers from its dependence on parent fees. Introducing additional funding sources would break the link between the price of care and teachers' salaries, thereby improving the quality of care.


The actual **cost** of a high quality program exceeds the **market price** that families pay for child care as programs cannot afford to pay caregivers a living wage on their revenue from parent fees.<sup>i</sup> In the State of Washington, the average hourly wage earned by child care teachers in 1998 was \$7.73 per hour, which, when adjusted for inflation, has not increased since 1992.<sup>ii</sup> These low salaries create high turnover rates among teachers – 30 to 37 percent per year nationally.<sup>iii iv</sup>

These high turnover rates and lack of financial support for child care programs have resulted in programs with moderate or poor quality.<sup>v</sup> When the quality of child care is less than adequate, children's development and brain growth cannot be optimized, and as a result, children enter the K-12 school system with educational issues that could have been addressed in their earlier years.


### Child Care Is Critical to a Successful Economy

Without affordable early childhood and youth care and education, parents cannot enter and stay in the workforce. National census data indicate that 37





**SOCIETY BENEFITS  
FROM EARLY CHILDHOOD  
AND YOUTH CARE AND  
EDUCATION.**



**THE CHILD CARE COORDINATING  
COMMITTEE ENVISIONS A FULLY  
FINANCED COMPREHENSIVE SYSTEM.**

percent of all employed persons are mothers or fathers of biological, adopted, and stepchildren; this does not include other relatives with primary custodial responsibility for children.<sup>vi</sup> To retain this segment of the workforce, children need engaging safe environments while their parents work.

### **Private Goods and Public Goods**

Economists in the 1950s and 1960s developed the theory of public goods and merit goods. Public goods are services and products where the public shares both the cost and the benefit. Merit goods, a subset of public goods, are public services or items on which society places a high value as the benefits outweigh the costs to society. Merit goods are usually subsidized at a higher rate than other public goods as an incentive to all to use them.<sup>vii viii ix</sup> Private goods are goods for which only the users pay the cost.

Public education and higher education are subsidized and defined as merit goods, as society benefits from a literate populace and a skilled workforce. Early childhood and youth care and education are also merit goods, although we have been paying for them as primarily private goods.<sup>x xi</sup>

### **Beginning the Planning Process**

The Child Care Coordinating Committee is pursuing strategies to pay for early childhood and youth care and education as a merit good instead of as a private good. Hence, we are embarking upon a decade of planning and implementation to create a fully financed, comprehensive system of early childhood and youth care and education. In the first two years, the Child Care Coordinating Committee will review the outcomes of our current system, the assets, and the gaps. Subsequently, the Committee will create an implementation plan to (a) reach new financing partners and (b) implement a new financing approach to reach the full cost of early childhood and youth care and education.

Several promising projects, pilots, and research are currently underway, and these efforts will serve as solid building blocks to a fully funded comprehensive system. As we begin the planning and design process, the Child Care Coordinating Committee (CCCC) urges the Legislature and the Governor to engage in a comprehensive system of care and education to support the goals of a well-educated work force and an active economy.

## Recommendations and Strategies

### SHORT-RANGE RECOMMENDATIONS AND STRATEGIES 2001-2003

#### **LEGISLATIVE:**

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1. Allocate Matching Funds to Become a Partner with the CCCC in Creating the Plan.
2. Establish an Informal Bipartisan Forum on Early Childhood and Youth Care and Education.
3. Appoint Legislative Staff to Work with the Child Care Coordinating Committee on the Financing Project and on other Policy Initiatives.
4. Create a Statement similar to the Small Business Impact Statement to Analyze the Effect of Legislation on Early Childhood and Youth Care and Education.

#### **ADMINISTRATIVE:**

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5. Analyze the Financial Impact of the Recommendations from the Child Care and Early Learning Organizational Study and Present Them to the Child Care Coordinating Committee.

#### **ADMINISTRATIVE AND LEGISLATIVE:**

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6. Support the Existing System.
  - a. Full Implementation of Washington STARS (State Training and Registry System).
  - b. Fund Full Cost of Care for the Early Childhood Education and Assistance Program (ECEAP).
  - c. Statewide Implementation of Small Business Loans for Facilities.
  - d. Expand the Washington State Career and Wage Ladder Pilot Project.
  - e. Support TEACH® Early Childhood WASHINGTON.
  - f. Support statewide systems such as Child Care Resource and Referral, Healthy Child Care Washington, WRAP! (Out of School Time Project), and the colleges' accreditation project.



## MID TO LONG-RANGE RECOMMENDATIONS AND STRATEGIES 2004-2010

### *LEGISLATIVE AND ADMINISTRATIVE:*

1. Allocate State Funds Matched in Part by Private Contributions to Implement the Plan for a Fully Financed Comprehensive System.
2. Explore various tax strategies. Possibilities include the following:
  - a. Special county tax districts for children's services.
  - b. Explore creating a tax credit program similar to the Low Income Housing Tax Credit program.

### **Conclusion**

The Child Care Coordinating Committee has commenced a multi-year planning process to develop a comprehensive fully funded system of early childhood and youth care and education. We believe that the results of a fully financed system of early childhood and youth care and education will include a continuum of educational opportunities for infants to young adults, supporting our youngest citizens during the years of rapid brain growth, and ensuring a healthy economy in the years ahead. We invite you to become a partner in this effort to achieve these goals for the children of today and tomorrow.

The term "early childhood and youth care and education" refers to a variety of child care and out of school programs and services. For children from infants to age five, these programs include child care, day care, nursery school, Early Childhood Education and Assistance Program (ECEAP), Head Start, part-day or full-day preschool programs, religiously affiliated preschools, parent cooperatives, and pre-kindergarten programs. The term also includes all formally organized activities for young people, ages 5 to 14, that occur during non-school hours. Programs may take a wide variety of forms: enrichment programs, summer camps, ethnic and culturally specific programs, sports and recreational activities, tutoring and mentoring programs, cultural and arts activities, special interest clubs, leadership groups among others. They all offer supervised care for children and youth, some during the school week, school breaks and others on weekends or evenings.

# Feeding the Roots of the System Of Early Childhood Care and Education

## Introducing a Decade Focused on Finance

With support from the Legislature and the Governor, the Child Care Coordinating Committee (in partnership with other child care and school age organizations) has fostered a diverse system of early childhood and youth care and education.<sup>xiii</sup> Children and youth have safe, engaging experiences in a variety of settings—their own home, a caregiver’s home, center or community center, or a program that cares for youth from kindergarten through high school during their time out of school. Early childhood teachers, caregivers and youth counselors can receive scholarships for workshops and college education as part of their professional development.<sup>xiii</sup> Parents can phone for referrals to find early childhood and youth care and education programs, and low-income families can receive state subsidies to help pay for it.<sup>xiv</sup> Programs are monitored by licensors to ensure safety, and professional accreditation<sup>xv</sup> is available to family child care homes, child care centers, and school age programs. While many elements of the system are missing or imperfect, a basic, skeletal system exists.

However, our system of early childhood and youth care and education lacks sustenance with which to grow. Most parents have no source of financial aid to help pay for early childhood and youth care and education, which means that families often do not have enough left to pay for other basic needs like housing, medical care, and food. With parents struggling to pay for care, programs charge a price low enough to allow parents to have access. Consequently, caregivers earn poverty level wages for positions that require significant expertise and education. Programs cannot offer even minimal quality care without adequate resources to support it.<sup>xvi</sup> In the next decade, the Child Care Coordinating Committee will address the issue of financing early childhood and youth care and education, enhancing the resources needed to nurture the roots of our system.



**OUR SYSTEM OF EARLY  
CHILDHOOD AND YOUTH  
CARE AND EDUCATION  
LACKS SUSTENANCE  
WITH WHICH TO GROW.**

In this report, the Child Care Coordinating Committee urges the Legislature and the Governor to join us as partners in resolving the issue of how we pay for early childhood and youth care and education. This report summarizes the problem, outlines the planning process that the Child Care Coordinating Committee is pursuing over the next decade, highlights projects and research that are currently in progress, and introduces strategies to build upon the existing system.

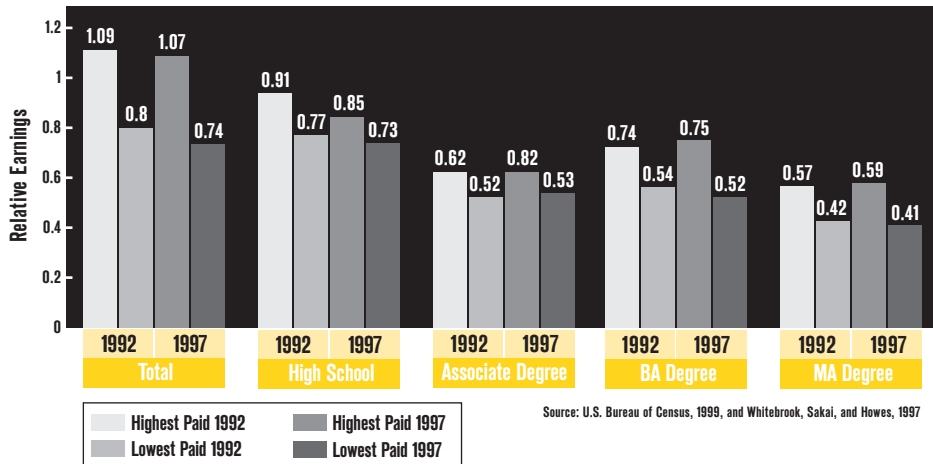
### **Why is Financing of Early Childhood and Youth Care and Education a Problem?**

Personnel costs are the predominant line item in child care budgets, and wages are extremely low for the responsibility and education required for the job. Programs cannot raise prices to pay higher wages, because most parents can barely afford the current cost of care. Unless we look to a new approach to financing child care, which introduces other funding sources, we can never break the link between wages and the price of care.

An important distinction exists between the *price* charged to families (or the funds allocated to government funded programs) and the *full cost* of early childhood and youth care and education. The Department of Social and Health Services conducts a market rate survey every two years, and in 1998 the price for child care ranged from about \$200 to \$900 per month or \$2,400 to \$10,800 per year, varying by the age of the child and region of the state.<sup>xvii</sup> Current research indicates that the full cost of full-time early education ranges from \$7,000 to \$10,000 per child.<sup>xviii</sup> While the assumed hours and staff salaries vary widely by program, these estimates provide a starting point for discussion.<sup>xix</sup>

As noted, the gap between what child care programs charge and what they cost is reflected in the low salaries earned by teachers and providers. In the State of Washington, the average hourly wage earned by child care teachers in 1998 was \$7.73 per hour, which when adjusted for inflation, has not increased since 1992, regardless of the level of education.<sup>xx</sup> The wages earned by the lowest paid child care teachers with high school diplomas reflected only 77 percent of the average full-time female wage in 1992 and 73 percent of the average full-time female wage in 1997. The highest paid teacher with a Master's degree earned only 57 percent of the average full time wage of women over 25 in 1992 and only 59 percent in 1997.

### Median Earnings of Highest and Lowest Paid Teachers or Assistants Relative to Full-Time Wages of Women 25 1992, 1997



These low wages deter qualified applicants from child care positions and force even the most dedicated teachers to higher paying jobs to support their own families. The average annual child care salary in the State of Washington is roughly equivalent to the Federal Poverty Level for a single parent of two children (\$13,880 gross yearly income)<sup>xxi</sup> and only 45 percent of the living wage for the State of Washington (\$16.86 per hour or \$35,079 per year for a single parent of two children).<sup>xxii</sup> The living wage allows families to meet basic needs, including emergencies, without dependence on public assistance.

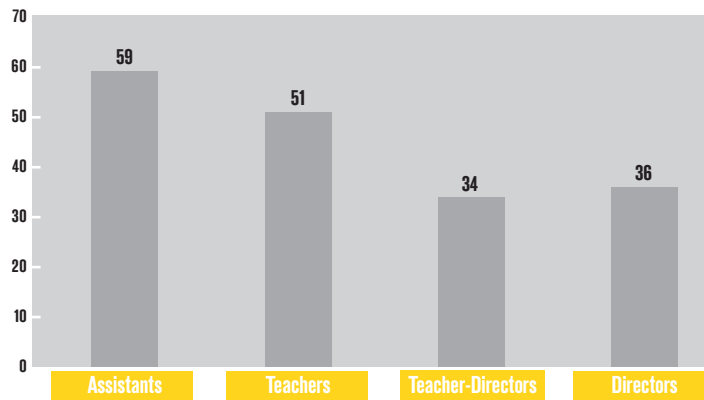
As a result, turnover rates across the nation range around a surprisingly high 30-37 percent annually.<sup>xxiii xxiv</sup> Turnover in child care exceeds the annual turnover rate of 9.6 percent reported by all companies in the United States in 1992 and the 12 percent turnover rate cited by employers in the public and non-profit sector.<sup>xxv xxvi</sup> Child care center positions with lower salaries – aides and teachers – exhibit higher rates of turnover than director positions. As a note of interest, the lowest turnover rates are exhibited among the teacher-director position, with responsibilities in both the classroom and the office.

This turnover is of great concern since research shows that the quality of early childhood education and youth care hinges upon the healthy attachment between child and teacher or provider. To accurately read children's verbal and non-verbal cues and to know how to respond to these cues, teachers and providers need specialized training in children's stages of growth and typical and atypical



**LOW WAGES AND HIGH  
TURNOVER AFFECT THE  
QUALITY OF CHILD CARE  
PROGRAMS.**

### Turnover Rates, All Staff, All Centers\*



Source: Whitebook, Sakai, and Howes, 1997

\*Rates derived from 2 visits, 20 months apart to centers

behavior. Research indicates that teachers and providers with higher levels of education – a Bachelor's degree or higher – demonstrate greater ability to respond appropriately to children.<sup>xxvii</sup> However, one cannot attract and keep educated teachers and providers with poverty level wages. In 1993, national data showed that 28 percent of child care center teachers had college degrees<sup>xxviii</sup> and only 17 percent of family child care providers had college degrees, while greater numbers had some coursework or specialized training.<sup>xxix</sup>

The impact of low wages and high turnover is pervasive. Research demonstrates that years of high turnover have resulted in programs of moderate or poor quality: in 1993, 86 percent of child care centers and 56 percent of family child care providers exhibited mediocre or poor quality of care. Only 14 percent of child care centers and 9 percent of family child care providers offered care that promoted healthy development of children. About 12 percent of child care centers and 35 percent of the family child care homes actually caused harm to the children.<sup>xxx xxxi</sup> Introducing additional funding sources could allow for higher wages, lower turnover, and improved quality of care.

While families can cite examples of high quality programs, most programs offer care of mediocre quality. When the quality of child care is less than adequate, children's development and brain growth cannot be optimized, and as a result children enter the K-12 school system with educational issues that could have been addressed in their earlier years. In fact, for some children, the poor care they received perhaps created those issues. If we had a comprehensive financing

system that broke the link between quality and rates charged to parents, we could have a consistent system of early childhood and youth care and education that ensures that all children succeed in the K-12 system and exhibit skills appropriate for college, future employment, and contributions to society.

### **Child Care Is Critical to a Successful Economy**

Without affordable child care, parents cannot enter and stay in the workforce. National census data indicates that 37 percent of all employed persons are mothers or fathers of biological, adopted, and stepchildren; this does not include other relatives with primary custodial responsibility for children. Of all employed persons, 18.6 percent are fathers, and 18.4 percent are mothers, which demonstrates that the workforce represents fathers and mothers almost equally.<sup>xxxii</sup> To retain this segment of the workforce, their children need engaging safe environments while their parents work. Meeting the needs of children and youth enables their parents to contribute to the economy.

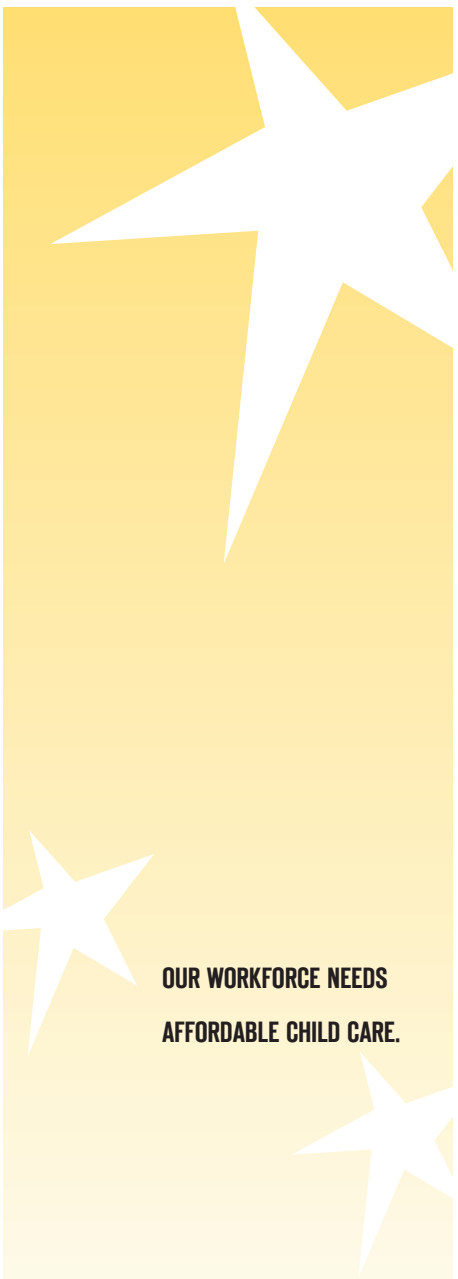
### **Child Care Is a Growing State Industry**

Not only is early childhood and youth care and education important to the success of other industries, but it is a vital industry in and of itself. The estimated value of licensed child care services in the State of Washington in 1998 was \$690 million annually employing about 30,000 persons. As an industry, licensed and exempt child care represented about 0.33 percent of our total state economy in 1998.


At any one given moment, these licensed providers cared for 170,200 children or youth out of a total of 1,106,400 children under the age of 13 in the State of Washington. Only 2.9 percent of all children under the age of 13 received a child care subsidy from the State of Washington. Out of children and youth engaged in licensed programs, 19 percent received subsidies.<sup>xxxiii</sup> For each of these children in licensed care, at least one parent earns an annual income, pays taxes, and contributes to the economy.

### **Private Goods, Public Goods, and Merit Goods**

Economists in the 1950s and 1960s developed the theory of public goods and merit goods. Public goods are services and products where the public shares



**OUR WORKFORCE NEEDS  
AFFORDABLE CHILD CARE.**



**THE CHILDREN OF TODAY WILL  
BE OUR CITIZENS AND OUR  
WORK FORCE OF TOMORROW.**

both the costs and the benefits. Merit goods, a subset of public goods, are public services or items on which society places a high value as the benefits outweigh the costs to society. Merit goods are usually subsidized at a higher rate than other public goods as an incentive to all to use them. Private good are those for which only the users pay the cost.<sup>xxxiv xxxv</sup>

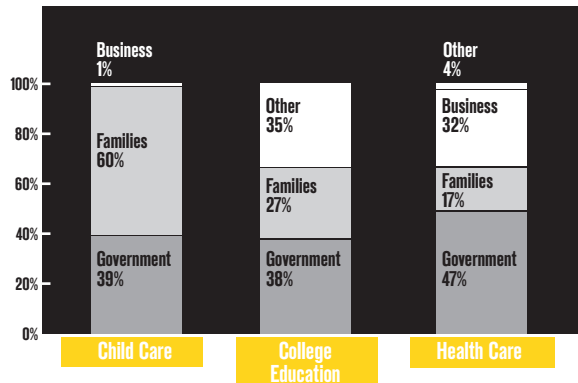
Public education and higher education are subsidized and defined as merit goods, as society benefits from a literate populace and a skilled workforce. Early childhood and youth care and education are also merit goods, although we have been paying for them as primarily private goods. Although no program can solve all societal problems, early childhood and youth care and education have been associated with reduced placements in special education, fewer arrests and incarcerations, better social and cognitive skills, and higher earnings later in life.<sup>xxxvi xxxvii xxxviii</sup> Research indicates that if families do not have access to affordable, high quality programs for children and youth, all of us will pay higher costs in years to come from school failure, lack of basic job skills, and reduced tax revenue. The children of today will be our citizens and our work force of tomorrow.

Recent research highlights the contrast between funding sources for child care and for other public or merit goods such as higher education and health care.<sup>xxxix</sup> As the following chart indicates, parents pay 60 percent of the current price of child care, with government covering about 39 percent and other sources covering only 1 percent (business, philanthropy, foundation support, etc.). When we contrast child care funding with funding for higher education, we see that families contribute 27 percent of the total cost of college education, while government pays 38 percent, and other sources contribute 35 percent. These other sources include foundations, businesses, and alumni. In health care, the government contributes 47 percent of the total cost; business covers 32 percent; and families pay 17 percent; and other sources cover 4 percent.<sup>xl xli</sup>

Society invests in health care, education, or housing, or transportation because the benefits are clearly shared by all. Like these other public goods, everyone shares the benefits of high quality child, and the cost of child care should also be shared.

What can we learn when we examine how we pay for other public goods? Several finance models used in service delivery of other public goods— including housing, transportation, health care, K-12 education, and higher education—

## Finance Models



Source: Whitebook, Sakai, and Howes, 1997

\*Rates derived from 2 visits, 20 months apart to centers

offer relevant ideas to our efforts to restructure the finance structure for early childhood and youth care and education. From these models finance experts have distilled a few primary lessons to guide us:<sup>xlii</sup>

- \* Financial support or subsidies are available to families regardless of income, in programs such as tax deductions for mortgages, bus fares, and health benefits.
- \* Programs can receive grants in addition to the aid offered to individuals, especially in low-income housing.
- \* Student loans and subsidized fares and are viewed as economic development, not charity in higher education and transportation.
- \* The private sector (individuals, business, and non-profit organizations) invests in the industry and serves as an active partner in financing and maintaining a high quality system of health care and low-income housing.<sup>xliii</sup>

These lessons and examples of finance models for other merit goods have led the Child Care Coordinating Committee to focus its effort on planning and fostering the creation of a fully financed, comprehensive system for early childhood and youth care and education.

**WE ENVISION SHARING  
THE COSTS AND  
BENEFITS OF EARLY  
CHILDHOOD AND YOUTH  
CARE AND EDUCATION.**



### Beginning the Planning Process

In April 2000, the Child Care Coordinating Committee co-hosted a Finance Summit with School's Out Consortium and the Human Services Policy Center (part of the Evans School of Public Management at the University of Washington). At this summit, Anne Mitchell (a renowned expert on child care financing) briefed the Child Care Coordinating Committee and others on finance models drawn from other industries and other public and merit goods. She led an interactive dialogue on the process needed to plan for a better system of financing early childhood and youth care and education.

As a result, the Child Care Coordinating Committee is embarking upon a decade of planning, research, policy development, and implementation towards a comprehensive system of early childhood and youth care and education. We envision that families, the public, and the private sector (individuals, corporations, and not-for profit organizations) will share the costs and the benefits of early childhood and youth care and education.

The Child Care Coordinating Committee has outlined the planning process in three phases:

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- ◆ **PHASE I: 2001 TO 2003** Over the next few years, the Child Care Coordinating Committee will examine all the assets and the gaps of our current system of early childhood and youth care and education, creating a “map” of the programs that serve children and youth including the sources of funding, and the infrastructure of agencies that promote quality. Using the map of the current system, the Child Care Coordinating Committee will then create a plan or “road map” to fulfill the vision for a comprehensive system—a system that supports the growth potential of children and youth with financing to support the full cost of the care and education. The road map will include recommendations for specific finance strategies to reach the goals of a fully financed, comprehensive system. In this planning phase, several fundamental questions will be pursued including: a) what are the outcomes of early education and programs for youth out of school; and b) how can we improve upon these outcomes and make them of consistently higher quality? To aid the Child Care Coordinating Committee in this process, the Office of Child Care Policy plans to contract with a consultant through a competitive selection to research how we currently provide



early childhood and youth care and education, to facilitate planning for a comprehensive system, and to create the road map.

- ◆ **PHASE II AND III: JUNE 2004 TO JUNE 2010** Phases II and III will focus on implementing the plan for a comprehensive system of early childhood and youth care and education, where costs are shared by multiple partners. In Phase II, the Child Care Coordinating Committee envisions a media campaign seeking partnership from corporations, philanthropy, government, and families towards paying the full cost of early childhood and youth care and education. In Phase III, the Child Care Coordinating Committee anticipates that a lead agency or organization will be competitively selected to pilot several new financing strategies.

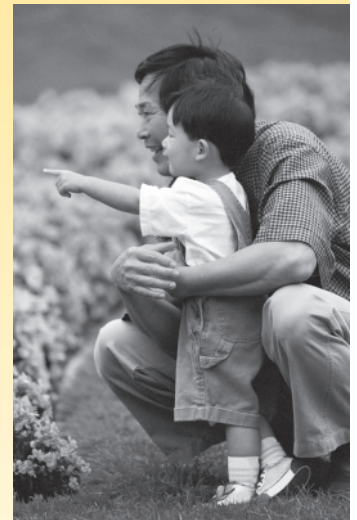
### Promising Elements on the Current Map

The ten-year planning process described above will take into account several exciting projects in our current system, which will support new growth and test innovative financing strategies. We are highlighting them in this report to inform the Legislature and Governor of these new trends, and as a base for beginning a new plan.

#### ◆ PROJECT LIFT OFF

**Action:** In 1998 Seattle Mayor Paul Schell and Seattle City Council Member Peter Steinbreuck initiated Project Lift Off, which by 2010 hopes to create a system of early care and education and out of school time activities that is affordable, easy to access and highly effective.<sup>xliv</sup> To reach these goals, Project Lift Off pulled the Seattle community together to create the Blueprint for Change to revolutionize the financing of child care (through participation in the Finance CIRCLE (described below); invest in the early years, birth to five; dramatically boost quality, develop more and better choices for kids and youth; inspire youth leadership and lead the nation in family friendly workplaces.

**Relevance to Goal of Fully Financed System:** The City of Seattle's multi-pronged strategy aims to (a) pilot specific financing strategies with peer support from other cities; (b) improve quality of care and education through accreditation and other means; (c) increase availability and accessibility of





early childhood and youth care and education; and (d) model family friendly workplaces. These model programs test strategies that could be implemented throughout the State of Washington, among other geographic regions, as core elements to a fully financed, comprehensive system of early childhood care and education.

#### ◆ THE FINANCE CIRCLE

(Communities Increasing Resources for Children's Learning).

**Action:** The City of Seattle (in partnership with an as yet undesignated part of King County) and Minneapolis will be two of five sites to develop and test a new systemic model for financing early childhood and youth care and education. (The other three sites will be selected in Fall 2000.) Managed by The Finance Project in Washington, D.C. and using public and private foundation funds, the Finance CIRCLE sites will develop a model system for financing early childhood and youth care and education which will include (a) a development function to increase public and private funding, (b) a financial aid function to bundle all sources of financial aid and test a uniform formula for determining family need, and (c) accreditation as a proven method of improving the quality of care. They will also help providers create budgets reflecting the full cost of care.<sup>xlv</sup>

**Relevance to Goal of Fully Financed System:** These pilot programs will test innovative financing strategies for possible implementation in the State of Washington. In its planning for a fully financed system, the Child Care Coordinating Committee could recommend any of these strategies to support better partnership to pay for the full cost of care. The Finance CIRCLE's evaluation of these strategies will inform the State of Washington of the efficacy of these approaches.

#### ◆ MAKING THE MOST OF OUT OF SCHOOL TIME (MOST) INITIATIVE.

**Action:** Making the Most of Out of School Time (MOST), a national initiative funded by the Wallace-Readers Digest Fund, is focused on improving the quality and quantity of out of school time programs for children in low-income families, children of color, and children with special

needs. In 1994, Seattle was one of five cities selected nationally to receive a planning grant, and School's Out Consortium (the lead agency for Seattle MOST) has since received two grants for implementation in 1995 and 1998 from the Wallace-Readers Digest Fund totaling \$2.2 million. In addition, the Seattle MOST initiative has leveraged close to \$4 million dollars (\$3.2 million in matching funds and \$700,000 of in-kind donations) to out of school programs statewide. Towards their 1998 goals, the Seattle MOST Initiative works closely with the City of Seattle, the Finance CIRCLE (both described above), and the Child Care Coordinating Committee to create a fully financed system of early childhood and youth care and education. Accomplishments include allocation of new state and private funds towards out of school care.<sup>xlvi</sup>

***Relevance to the Goal of a Fully Financed System:*** Seattle MOST is a proven strategy to leverage additional public and private resources towards increasing the availability and accessibility of opportunities for youth. In addition, School's Out Consortium dedicates significant staffing to collaboration on finance policy development and research through the Child Care Coordinating Committee, City of Seattle's Project Lift Off, and the Finance CIRCLE.

#### ◆ WASHINGTON EARLY LEARNING FOUNDATION

***Action:*** The Washington Early Learning Foundation grew out of the recommendations of the Governor's Commission on Early Learning. Established in July 2000, the Washington Early Learning Foundation seeks to ensure that every child in Washington State is prepared to succeed in school. The foundation is currently conducting its strategic planning, which will end by April 2001. The Washington Early Learning Foundation provided funding necessary to start the statewide implementation of TEACH Early Childhood® WASHINGTON, which is described below.

***Relevance to the Goal of a Fully Financed System:*** As a new foundation, the Washington Early Learning Foundation aims to be an active partner in creating a comprehensive system.





#### ◆ TEACH EARLY CHILDHOOD® WASHINGTON

(Teacher Education and Compensation Helps).

**Action:** The TEACH Early Childhood® WASHINGTON program offers scholarships to child care center teachers and family child care providers to earn college credits towards a certificate or a degree in early childhood education or a related field. The program began in North Carolina in the early 1990s and has been licensed for implementation in 17 other states, with about 4 additional states pending licensure. In 1999, the City of Seattle received a partial license to pilot the program, pending selection of a statewide organization to expand it statewide. The City of Seattle issued 54 scholarships to providers in the spring and summer quarters. In the Fall 2000, the Washington State Child Care Resource & Referral Network was competitively selected to administer the program, with funding from the Washington Early Learning Foundation (described above) and the City of Seattle (for providers and teachers residing in Seattle). By January, 2001 the TEACH Early Childhood® WASHINGTON program will cover all of King County, and by April, 2001 it will serve providers and teachers in two new communities, including one east of the Cascade Mountains. The Washington State Child Care Resource & Referral Network will provide a schedule that outlines which colleges and communities will be participating each quarter with the intent that the program will be available in all parts of the state by 2004, depending upon adequate resources.

**Relevance to the Goal of a Fully Financed System:** The TEACH Early Childhood® WASHINGTON program partners public and private funds to increase educational opportunities for teachers and providers, reduce turnover rates, improve teacher and provider compensation, and through all these strategies, improve the quality of early childhood and youth care and education.

#### ◆ SOCIAL VENTURE PARTNERS

**Action:** Social Venture Partners applies the investment model of venture capital to philanthropy by blending partners' (the donors') time, money, and expertise through partnerships with not-for-profits in King County. A volunteer committee of partners, which rotates annually, gives grants to not-for-profit early childhood development organizations, K-12 schools, and out

of school time programs. Partners also volunteer professional services in the same not-for-profit organizations that receive grants, which creates a model of informed, active giving. The investing partners contribute a minimum of \$5,400 per year over two years to a pooled fund, which supports grants totaling about \$1 million annually.<sup>xlvi</sup>

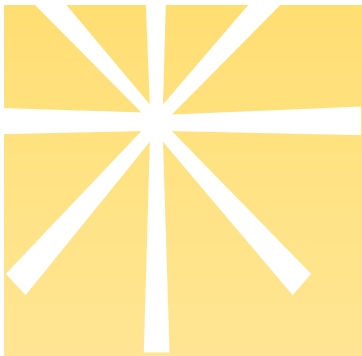
***Relevance to the Goal of a Fully Financed System:*** This innovative model contributes valuable financial and intellectual gifts to improve the lives of children and youth in King County. Similar social investment models bear further research for application in other parts of the State of Washington. This partnership approach could leverage additional funds towards a comprehensive system of early childhood and youth care and education.

#### ◆ TALARIS RESEARCH INSTITUTE

***Action:*** The Talaris Research Institute has the mission of determining how the brain works in infants and young children and providing parents, families, and early childhood educators the information and tools to enhance early learning, communication, and the quality of life. The Institute has formed a research arm through the University of Washington's Center for Mind, Brain, and Learning (CMBL). This Center is focused on interdisciplinary research on early learning and the brain in children from 0-5 years of age.<sup>xlvi</sup> The Talaris Institute anticipates constructing a research building to house the activities of the Center for Mind, Brain, and Learning by 2003. The Institute also plans an innovative "best practices" child care center and preschool, which will help bridge the science of learning and the practice of learning in the 0-5 age group. Talaris is dedicated to bridging the gap between basic research and practice and its' partnership with the Center for Mind, Brain, and Learning is an innovative structure for combining the strengths of the private and public sectors for understanding and enhancing the lives of infants and young children.

***Relevance to the Goal of a Fully Financed System:*** As a new nonprofit corporation Talaris Institute will focus attention on the critical importance of the first 5 years of life by integrating CMBL's basic research findings with a strong dissemination and outreach component. The goal is to bring an accurate, scientifically-based balance to the communication of this vital information.





◆ **WASHINGTON STATE CAREER AND WAGE LADDER PILOT PROJECT.**

**Action:** In 1999, Governor Locke appropriated \$4 million from the reinvestment of funds for Temporary Assistance to Needy Families to create this innovative pilot program. The Career and Wage Ladder is a collaboration between child care centers and the State Department of Social and Health Services. The pilot program provides financial assistance to the center to help fund salary step increases for child care staff based on their education and experience. The project presents a financial incentive to the center to serve more children who receive child care subsidies from the Department of Social and Health Services and to the staff to obtain more education and stay longer. The program also requires centers to provide leave and health benefits to teachers. The goal is to increase the quality of child care and make high quality center-based care accessible to children subsidized by DSHS. (The pilot program does not apply to family child care providers, which is a goal that should be addressed.) Currently, 130 centers and about 1,500 teachers participate in the pilot program. The wage increment charts factor in pay increments of \$0.25 for each additional year of a staff member's experience. In addition, the state pays \$.50 raises for each increment of education beyond licensing requirements completed by staff members. To provide two examples of participating centers, one center receives \$7,000 from the state, which is matched by \$1,200 from the center; another center \$3,700 per month from the state matched by \$750 from the center. Amounts vary by month with staffing changes.<sup>xlix</sup>

**Relevance to the Goal of A Fully Financed System:** The Washington State Career and Wage Ladder Pilot Project tests another public-private partnership model to increase wages for teachers as they complete incremental stages of higher education. Research demonstrates the link between providers' salaries, education, and the quality of early childhood and youth care and education. The plan for a fully financed comprehensive system of early childhood and youth care and education can learn from and build upon this approach.

◆ HUMAN SERVICES POLICY CENTER RESEARCH ON PARENTAL CHOICE AND INFORMAL CARE.

**Action:** The Human Services Policy Center (HSPC) is a policy research organization affiliated with the Evans School of Management at the University of Washington. The HSPC is researching informal care options within the context of parental choice for care. They are conducting a survey of the general population to find parents of children under the age of 13 and gain information on the regular care these children receive from adults other than their parents. In addition, they will contact the informal caregivers—relatives, friends, and neighbors who care for children on a regular basis—to learn more about their motivation for caring for children and their background.<sup>i</sup>

**Relevance to a Fully Financed System:** As child care experts know very little about the informal market for care and how cost, location, and convenience factor into parents' decisions on caregivers, this research will inform the Child Care Coordinating Committee as they recommend an approach to structure a finance system.

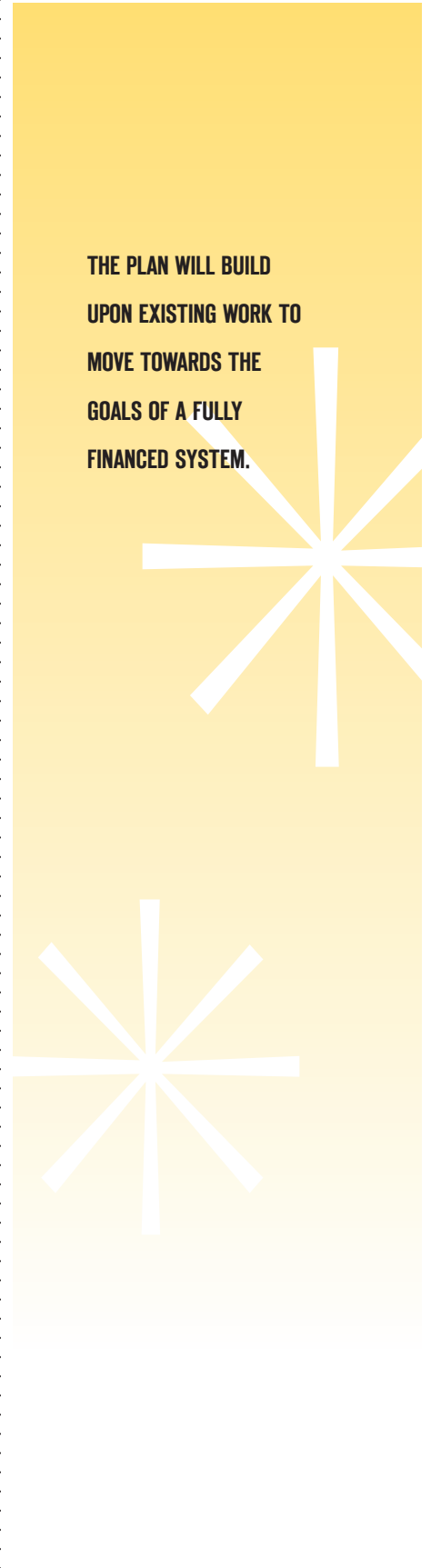
◆ HUMAN SERVICES POLICY CENTER ECONOMIC MODELS TO EVALUATE FINANCE MECHANISMS.

**Action:** The HSPC is also constructing a computer model to analyze various approaches to financing universal care for children ages 0 to 5. The computer model will analyze each approach for the costs to parents, employers, and government and will factor in changes in professional qualifications and compensation of child care providers, improving the regulatory structure, and creating a governance structure to support universal care.

**Impact:** With the economic models, the Child Care Coordinating Committee planning process will have information needed to balance priorities for serving children and youth.<sup>ii</sup>

All of the projects, initiatives, and research will inform and guide the Child Care Coordinating Committee in creating a plan. The plan will build upon this work to reach the goals of a fully financed system of early childhood and youth care and education.

THE PLAN WILL BUILD  
UPON EXISTING WORK TO  
MOVE TOWARDS THE  
GOALS OF A FULLY  
FINANCED SYSTEM.



THE LEGISLATURE  
AND GOVERNOR CAN  
SUPPORT AND COMPLEMENT  
OUR PLANNING PROCESS.



## Recommendations and Strategies

Included in the recommendations, the Child Care Coordinating Committee highlights ways that the Legislature and Governor could support and complement the Child Care Coordinating Committee's planning process. In subsequent reports, we will inform the Legislature and Governor about the strategies included in the plan and elaborate on specific recommendations for action.

### SHORT-RANGE RECOMMENDATIONS AND STRATEGIES 2001-2003

#### LEGISLATIVE:

1. Allocate Matching Funds to Become a Partner with the CCCC in Creating the Plan.

**Action:** The Legislature could join as an active partner to the Office of Child Care Policy and other state agencies in planning for a comprehensive system by allocating up to \$100,000 towards the planning effort. The Office of Child Care Policy plans to release a Request for Proposals to seek a consultant to lead the Child Care Coordinating Committee in assessing the current system of early childhood and youth care and education, and to create a road map towards a comprehensive, fully financed approach. The Office of Child Care Policy has secured \$200,000 towards the total proposed contract of \$300,000. Other state agencies also plan to contribute.

**Result:** The Child Care Coordinating Committee is committed to developing a plan for action within the next two years, but without partnered resources, the plan will not be able to encompass the full scope of the system. With legislative support, the Child Care Coordinating Committee could recommend specific financing strategies for Legislative and Administrative action by 2002.

2. Establish an Informal Bipartisan Forum on Early Childhood and Youth Care and Education.

**Action:** An informal Bipartisan Forum on early childhood and youth care and education could help legislators become familiar with current issues, and prepare them to respond to a plan to build towards a comprehensive, fully financed system. The Bipartisan Forum could serve as an opportunity to bridge differences through informal discussion.

**Result:** The Child Care Coordinating Committee intends to release a plan with specific recommended financing mechanisms by 2002. The informal bipartisan forum could pave the road towards future legislation to implement these financing mechanisms.

3. **Appoint Legislative Staff to Work with the Child Care Coordinating Committee on the Financing Project and Other Initiatives.**

**Action:** The Child Care Coordinating Committee encourages participation from the Legislature in assessing our current system's strengths and deficiencies, and recommending strategies to reach the goals of a comprehensive, fully financed system. Staff members could be appointed to represent the Legislature in this planning process, which could facilitate preparation of future legislation.

**Result:** Legislators and their staff would be actively involved in creating a plan to serve children and families, which could accelerate the legislative process to act upon it.

4. **Create a Statement Similar to the Small Business Impact Statement to Analyze the Effect of Legislation on Early Childhood and Youth Care and Education.**

**Action:** Legislative staff could create an impact statement using a questionnaire format similar to the Small Business Impact Statement (which appears in the Washington Administrative Code). The Child Care and Out of School Finance Impact Statement would review whether legislation leverages private sector support for early childhood and youth care and education and whether it increases financial support to families to pay for the care. The Impact Statement would also assess the financial effect of the legislation on the state, corporations, and families, and whether new funding to state subsidies or ECEAP reflect the full cost of care financing of early childhood and youth care and education.

**Result:** Responses to the Impact Statement could inform Legislators, their staff, and the Child Care Coordinating Committee as to whether legislation moves the State of Washington toward or away from a fully financed system of early childhood and youth care and education.



**ADMINISTRATIVE:**

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5. **Analyze the Financial Impact of the Recommendations from the Child Care and Early Learning Organizational Study and Present Them to the Child Care Coordinating Committee.**

**Action:** Governor Locke is currently exploring providers' preferences to streamline the state system of subsidies and programs for early childhood and youth care and education. The administration is examining three approaches: streamlining programs, streamlining eligibility, and streamlining standards. We recommend that the Administration present the findings from this research to the Child Care Coordinating Committee and review the recommendations for their financial impact on programs, families, and the infrastructure of supporting agencies and organizations, creating an impact statement similar to the one described above.

**Result:** The Child Care Coordinating Committee is eager to work collaboratively with the administration towards the goal of full financing for the system of early childhood and youth care and education.

**ADMINISTRATIVE AND LEGISLATIVE:**

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6. **Support the Existing System.** Governor Locke and the Legislature have actively supported the creation of the basic infrastructure to support early education and out of school care. Many of these efforts promote high quality care and ensure more consistent, reliable outcomes to our current system. To build upon previous success stories, the administration and the Legislature need to protect and sustain their investments to the system of children's services.

- a. **Full Implementation of Washington STARS**  
(State Training and Registry System).

**Action:** Washington STARS ensures that teachers and providers of early childhood and youth care and education have basic and annual continuing education. Initial budget appropriations of \$1.2 million per biennium have supported only partial implementation of the system. To fully implement the registry and trainer system, Washington STARS needs an additional appropriation of \$1 million for the biennium.

**Result:** The minimal and annual education required by Washington STARS will ensure that providers keep abreast of new developments in the field and may encourage them to seek additional scholarships for higher education, which in turn improves the overall quality of early childhood and youth care and education in the State of Washington.

b. **Fund Full Cost of Care for the Early Childhood Education and Assistance Program (ECEAP).**

**Action:** The Early Childhood Education and Assistance Program (ECEAP) has submitted a six-year plan to Governor Locke to increase per child expenditure from the 2001 level of \$5,648 (including state allocation of \$4,190 per child and in-kind match of \$1,458) to at least \$8,000 total expenditure per child by 2007. The six-year plan is based upon data on the elements of a high quality environment for 3- and 4-year olds and on comparative cost estimates with other half-day and full-day comprehensive programs such as Head Start and the Oregon Pre-K program.

**Result:** The Early Childhood Education and Assistance Program would be able to offer the intended, high quality services to low-income children, increasing their rates of success in school.

c. **Statewide Implementation of Small Business Loans for Facilities.**

**Action:** Currently a few urban communities have peer lending programs and small business loan programs for child care providers who need to make capital improvements. However, this assistance is not available to all providers of early childhood and youth care and education in the State of Washington. We recommend expanding the most successful models and offering these loans to providers statewide.

**Results:** Small business loans and peer lending offer one piece to the large puzzle on paying the full cost of early childhood care and education. However, safe, welcoming facilities are vital to the quality of care, and the cost of capital improvements extends beyond the means of most providers and programs. These programs bear research and expansion.





d. **Expand the Washington State Career and Wage Ladder Pilot Project.**

**Action:** Currently, the Washington State Career and Wage Ladder operates in 130 centers and out of school time programs, serving about 1,500 teachers. With an expansion of \$8.5 million (for a total appropriation of \$12.5 million), the program could reach an estimated 2,500 teachers in 250 centers over the next biennium. Estimated costs to offer the Wage and Career Ladder to all interested child care centers and out of school programs totals approximately \$15 million.

**Result:** Preliminary research will be released in December 2000, examining the program's effect on turnover rates in participating centers and out of school time programs. Should the research indicate that the Wage and Career Ladder decreases turnover, implementation to additional centers and out of school programs would increase the overall quality of care in the State of Washington.

e. **Support TEACH® Early Childhood WASHINGTON.**

**Action:** The initial implementation of TEACH® Early Childhood WASHINGTON relies upon support from the Washington Early Learning Foundation. The Administration and Legislature could ensure the program's success and longevity with an appropriation to ensure the expansion of the program statewide. Other states that have implemented the program have created successful public-private partnerships to expand their programs statewide.

**Result:** The TEACH® Early Childhood WASHINGTON model has demonstrated reduction in teacher turnover, increases in teachers' educational level and degrees, and improved quality of care and education in other states. Expansion of the program statewide could demonstrate similar results in the State of Washington.

f. **Support statewide systems such as Child Care Resource and Referral, Healthy Child Care Washington, WRAP! (Washington Regional Action Project—an Out of School Time Project), Sequenced Transition to Education in the Public Schools (STEPS) and the colleges' accreditation project.**

**Action:** While state agencies provide many elements of support, other public agencies and not-for-profit organizations work directly with programs and providers, offer training and courses, educate parents, and implement strategies to improve environments for kids. These organizations receive a blend of financial support from federal, state, local, and private funds. We encourage the Legislature and the Governor to continue their support for both public and private agencies that support children, families, and early childhood and youth care and education programs.

**Result:** Through state grants and contracts, the Legislature and the Administration support a system based on public private partnerships.

## MID TO LONG-RANGE RECOMMENDATIONS AND STRATEGIES 2004-2010

### LEGISLATIVE AND ADMINISTRATIVE

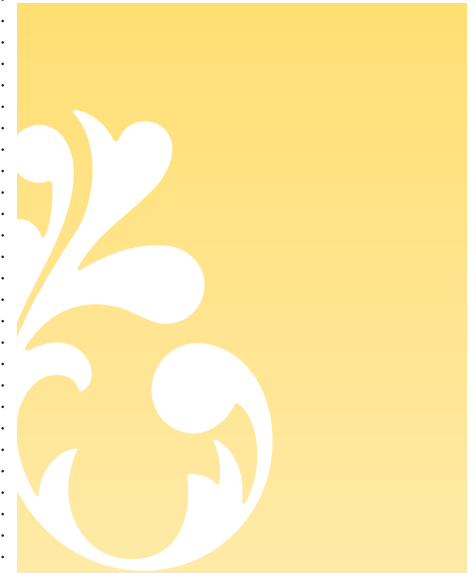
1. Allocate State Funds Matched in Part by Private Contributions to Implement the Plan for a Fully Financed Comprehensive System.

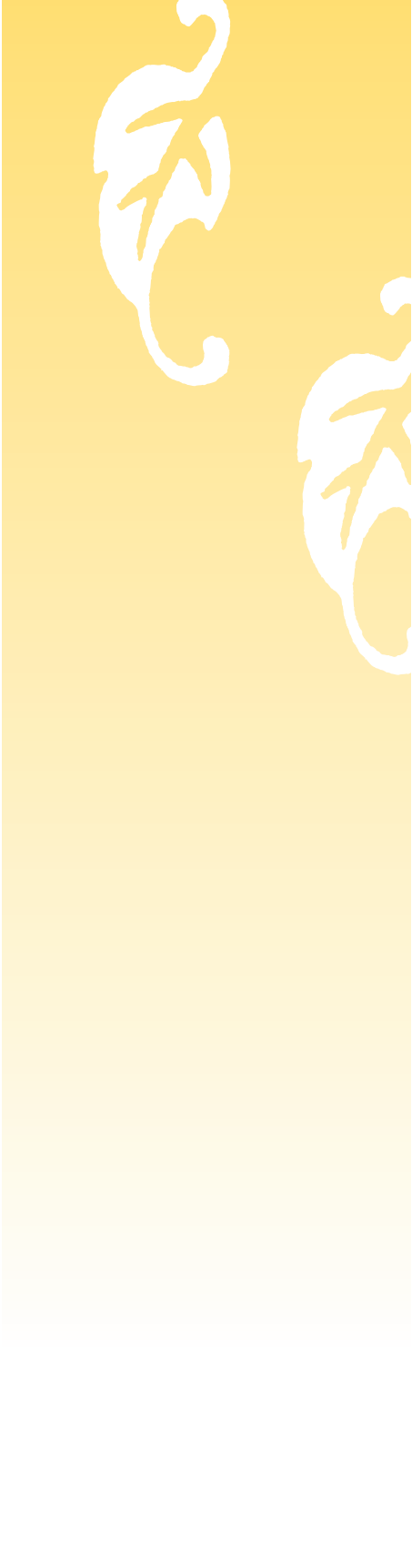
**Action:** The Legislature and the Governor could allocate funds to support specific elements of the plan towards a fully financed system. Examples could include legislation to support financial aid to help families pay for early childhood and youth care and education, creating a development office to secure corporate and philanthropic contributions, or extending disability insurance to include extended leave to care for a new child.

**Result:** With their leadership and financial support, the Legislature and Governor could create finance mechanisms to leverage support from corporations and philanthropic organizations.

2. Explore various tax strategies. Possibilities include the following:
  - a. Special county tax districts for children's services.

**Action:** In Florida, a state statute authorized county governments to create a children's services district with boundaries identical to the county's boundaries. The county government must take official action to create the children's services district. A board of 10 members





governs each children's services district with five permanent members defined in statute and five appointed by the Governor to serve 5-year terms. These special tax districts have the authority to levy an additional property tax not to exceed 50 cents per \$1,000 of assessed property value. In 1995, 25 of the 67 counties in Florida had established tax district boards, and in the 1994 fiscal year, the children's services councils raised close to \$63 million. Of this amount, slightly over 70 percent went to children's direct service programs.

**Results:** If the State of Washington authorized local tax districts, local communities could establish endowments to aid child care and out of school programs, create substitute pools and support services for family child care and centers, and help programs to become nationally accredited, among many other priorities.

b. **Explore creating a tax credit program similar to the Low Income Housing Tax Credit program.**

**Action:** The Low-Income Housing Tax Credit program offers individuals and businesses that invest in low-income housing a federal tax credit dollar for dollar against federal tax owed over a ten-year period. The LIHTC subsidizes capital investments and allows rent to be set at lower rates than the market value. States administer the LIHTC by allocating an amount of tax credits each year depending on the state population. State plans specify particular projects that should receive subsidies, and the project sponsor (a for-profit or not-for-profit developer) finds investors. Often intermediary investment groups sell tax credits to investors creating an equity fund to cover several designated projects and spread the risk more effectively. Developers can also use these equity funds to secure additional matches from foundations or charitable organizations.

**Results:** The State of Washington could establish a similar program and authorize local special tax district boards to select capital improvement projects, raising funds from individual investors and leveraging additional support from philanthropic organizations.

## Conclusion

The Child Care Coordinating Committee has commenced a multi-year planning process to develop a comprehensive fully funded system of early education and out of school time. We believe that the results of a fully financed system of early childhood and youth care and education will include a continuum of educational opportunities for infants to young adults; supporting our youngest citizens during the years of rapid brain growth; and ensuring a healthy, economically sound society in the years ahead. We invite you to become a partner in this effort, which will enable the State of Washington to achieve these goals for the children of today and tomorrow.

**A CONTINUUM OF  
EDUCATIONAL  
OPPORTUNITIES WILL  
ENSURE A HEALTHY,  
ECONOMICALLY SOUND  
SOCIETY.**



## Endnotes

- <sup>i</sup> Gomby, D., et al, Financing Child Care: Analysis and Recommendations, *The Future of Children, Financing Child Care*, Vol. 6, No.2, Summer/ Fall 1996.
- <sup>ii</sup> Miller, M.G. and L. Schrager, *Licensed Child Care in Washington State: 1998*, Olympia, WA: Department of Social and Health Services, Research and Data Analysis, January 2000.
- <sup>iii</sup> Whitebook, M., Phillips, D., and Howe, C., *Worthy Work, Unlivable Wages: The National Child Care Staffing Study (1989-1997)*, Washington D.C.: Center for the Child Care Workforce, 1998.
- <sup>iv</sup> Helburn, S., ed., *Cost, quality, and child outcomes in child care centers: Technical report*. Denver, CO: Department of Economics, Center for Research in Economic and Social Policy, University of Colorado, 1995.
- <sup>v</sup> Helburn, S., 1995.
- <sup>vi</sup> Data from the Census Bureau, Bureau of Labor Statistics, Department of Labor, Washington D.C., 2000.
- <sup>vii</sup> Samuelson, P., The Pure Theory of Public Expenditure, *Review of Economics and Statistics*, Vol. 36, pps. 387-389, November 1954.
- <sup>viii</sup> Aronson, J.R. and Schwartz, E., editors, *Management Policies in Local Government Finance*, Washington D.C.: International City Management Association, 1981.
- <sup>ix</sup> Aronson, J.R. and Schwartz, E., editors, *Management Policies in Local Government Finance*, Washington D.C.: International City Management Association, 1981.
- <sup>x</sup> Gomby, Lerner, Stevenson, Lewit, and Behrman, Long Term Outcomes of Early Childhood Programs, *The Future of Children*, Vol. 5, No. 3, Palo Alto, CA: Center for the Future of Children, David and Lucile Packard Foundation, Winter 1995.
- <sup>xi</sup> Vandell, D.L. and B. Wolfe, *Child Care Quality: Does it matter and does it need to be improved?*, Washington D.C.: Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, May 2000.
- <sup>xii</sup> The term early childhood and youth care and education refers to a variety of child care and out of school programs and services. For children from infants to age five, these programs include child care, day care, nursery school, Early Childhood Education and Assistance Program (ECEAP), Head Start, part-day or full-day preschool programs, religiously affiliated preschools, parent cooperatives, and pre-kindergarten programs. The term also includes all formally organized activities for young people, ages 5 to 14, that occur during non-school hours. Programs may take a wide variety of forms: enrichment programs, summer camps, ethnic and culturally specific programs, sports and recreational activities, tutoring and mentoring programs, cultural and arts activities, special interest clubs, leadership groups, among others. They all offer supervised care for children and youth, some during the school week, school breaks and others on weekends or evenings.
- <sup>xiii</sup> Scholarships are available to caregivers for basic and annual continuing education through the Washington STARS (State Training and Registry System), which is administered by the Washington Association for the Education of Young Children. In addition, caregivers who are pursuing college certificates and degrees can receive a TEACH scholarship and bonus upon completion through the Washington Child Care Resource & Referral Network.
- <sup>xiv</sup> Families who earn up to 225 percent of the federal poverty level receive state subsidies to help pay for child care— annual income levels ranging from \$18,792 for a family of one to \$44,904 for a family of five. Source: Office of Child Care Policy, 2000.
- <sup>xv</sup> Accreditation offers a self-assessment, peer assessment, and rating from a national professional association to family child care providers (paid professionals who nurture 6-12 children in their home), child care centers, and programs for youth during their time out of school. The process to attain and retain approval creates the necessary incentive to work toward, reach, and keep standards of high quality care and education for children from infancy through high school.
- <sup>xvi</sup> Helburn, S. and C. Howes, Child Care Cost and Quality, *The Future of Children, Financing Child Care*, Vol. 6, No. 2, Summer/ Fall 1996.
- <sup>xvii</sup> Miller, M.G. and L. Schrager, *Licensed Child Care in Washington State: 1998*, Olympia, Washington: Department of Social and Health Services, 2000.
- <sup>xviii</sup> Unpublished draft of Early Childhood Programs and Research Studies: Average Annual Cost 2000, Early Childhood Education and Assistance Program, Children's Division, State of Washington Department of Community Trade and Economic Development, 2000.
- <sup>xix</sup> Gomby, D. et al, Financing Child Care: Analysis and Recommendations, *The Future of Children, Financing Child Care*, Vol. 6, No. 2, Summer/ Fall 1996.
- <sup>xx</sup> Miller, M.G. and L. Schrager, *Licensed Child Care in Washington State: 1998*, Olympia, Washington: Department of Social and Health Services, 2000.
- <sup>xxi</sup> Ackley, K., *The Washington Economy: Working But Not Making a Living*; Seattle, Washington: Washington Citizen Action, the Northwest Federation of Community Organizations, January 2000.
- <sup>xxii</sup> Northwest Policy Center and Northwest Federation of Community Organizations, *Northwest Job Gap Study: Searching for Work That Pays*; Seattle, Washington: Author, January 1999.
- <sup>xxiii</sup> Whitebook, M., Phillips, D., and Howe, C. *Worthy Work, Unlivable Wages: The National Child Care Staffing Study (1998-1997)*, Washington D.C.: Center for the Child Care Workforce, 1998.

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- <sup>xxiv</sup> Helburn, S., ed. *Cost, quality, and child outcomes in child care centers: Technical report*. Denver, CO: Department of Economics, Center for Research in Economic and Social Policy, University of Colorado, 1995.
- <sup>xxv</sup> Whitebook, M., Phillips, D., and Howes, C., *National Child Care Staffing Study revisited: Four years in the life of center based child care*. Oakland, CA: Child Care Employee Project, 1993.
- <sup>xxvi</sup> Whitebook, M. and D. Bellm, *Taking On Turnover: An Action Guide for Child Care Center Teachers and Directors*, Washington D.C.: Center for the Child Care Workforce, 1998.
- <sup>xxvii</sup> Whitebook, M., Phillips, D., and Howe, C. *Who Cares? Child Care Teachers and the quality of care in America*. Oakland, CA: Child Care Employee Project, 1990.
- <sup>xxviii</sup> Helburn, S., ed., loc cit, 1995.
- <sup>xxix</sup> Kontos, S., Howes, C., Shinn, M., and Galinsky, E. *Quality in family child care and relative care*. New York: Teachers College Press, 1994.
- <sup>xxx</sup> Helburn, S., ed., loc cit, 1995.
- <sup>xxxi</sup> Kontos, S., Howes, C., Shinn, M., and Galinsky, E. *Quality in family child care and relative care*. New York: Teachers College Press, 1994.
- <sup>xxxii</sup> Data from the Census Bureau, Bureau of Labor Statistics, Department of Labor, Washington D.C., 2000.
- <sup>xxxiii</sup> Miller, MG and L. Schrager, loc cit, 1998.
- <sup>xxxiv</sup> Samuelson, Paul, The Pure Theory of Public Expenditure, *Review of Economics and Statistics* 36, pps. 387-89, November 1954.
- <sup>xxxv</sup> Aronson, J.R. and Schwartz, E., editors, *Management Policies in Local Government Finance*, Washington D.C.: International City Management Association, 1981.
- <sup>xxxvi</sup> Gomby, Larner, Stevenson, Lewit, and Behrman, Long Term Outcomes of Early Childhood Programs, *The Future of Children*, Vol. 5, No. 3, Winter 1995, Palo Alto, California: Center for the Future of Children, David and Lucile Packard Foundation.
- <sup>xxxvii</sup> Vandell, D.L. and B. Wolfe, *Child Care Quality: Does It Matter and Does It Need to Be Improved?* May 2000, Washington D.C.: Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services.
- <sup>xxxviii</sup> For more information and research related to child care and out of school programs as crime prevention strategies, please refer to the website for Fight Crime, Invest in Kids, an organization of law enforcement officers dedicated to reducing future costs of crime by investing in children's services. <http://www.fightcrime.org>
- <sup>xxxix</sup> Stoney, Louise, *Looking into New Mirrors: Lessons for Early Childhood Finance and System-Building*, pps. 6-7, Boston, Massachusetts: The Horizons Institute, 1998.
- <sup>xl</sup> Project Lift Off presentation to the CCCC, September 2000.
- <sup>xli</sup> Project Lift Off, City of Seattle, Presentation to the Child Care Coordinating Committee, August 2000.
- <sup>xlii</sup> Mitchell, Anne Presentation at the Finance Forum, Seatac, WA, April 2000 and Project Lift Off, City of Seattle, Presentation to the Child Care Coordinating Committee, August 2000.
- <sup>xliii</sup> Stoney, Louise, *Looking into New Mirrors: Lessons for Early Childhood Finance and System-Building*, pps. 6-7, Boston, Massachusetts: The Horizons Institute, 1998.
- <sup>xliv</sup> Project Lift Off Website: [www.cityofseattle.net/hsd/projectliftoff/](http://www.cityofseattle.net/hsd/projectliftoff/)
- <sup>xlv</sup> Child Care Action Campaign, *Finance CIRCLE: Communities Increasing Resources for Children's Learning Experiences*. Project Description, 2000.
- <sup>xlvi</sup> For more information, please refer to the School's Out Consortium website: [www.schoolsoutconsortium.org](http://www.schoolsoutconsortium.org).
- <sup>xlvii</sup> For more information on Social Venture Partners and similar models of social investment, please refer to their website: [www.svpseattle.org/betasite](http://www.svpseattle.org/betasite)
- <sup>xlviii</sup> The research projects include: identifying and characterizing critical milestones for brain and behavioral development, elucidating brain-behavior relations using state-of-the-art-brain-imaging techniques, exploring the molecular, genetic, and biochemical contributions to nature-nurture questions surrounding infant development, opening and expanding the exciting interface between computer technology and child development. Source: The University of Washington's Center for Mind, Brain, and Learning (CMBL), 2000.
- <sup>xlvix</sup> Data provided by the Economic Opportunity Institute and the Office of Child Care Policy, September 2000.
- <sup>i</sup> Human Services Policy Center briefing to the Systems Subcommittee, August 2000.
- <sup>ii</sup> Brandon, R., Kagan, S.L., and Joesch, J.M., *Design Choices: Universal Financing For Early Care and Education*, Human Services Policy Center Policy Brief, June 2000, Seattle, Washington: Evans School of Public Management, University of Washington.
- <sup>iii</sup> Sources: Economic Opportunity Institute and the Office of Child Care Policy, Department of Social and Health Services, October 2000.
- <sup>iiii</sup> Mitchell, Stoney, and Dichter, *Financing Child Care in the United States: An Illustrative Catalog of Current Strategies*, Philadelphia, PA: Pew Charitable Trusts, 1997.
- <sup>liv</sup> Stoney, Louise, loc cit, 1998.





**Washington State  
Child Care Coordinating Committee**